



## **APPENDIX I**

### **TRANSITIONAL HOUSING REVOLVING LOAN PROGRAM INFORMATION**

**Purpose:** The purpose of this loan program is to assist in the development of affordable housing for parents that are reuniting with their children while completing or participating in substance abuse treatment. The loans can be used for the construction period and the permanent loan. This program is administered following the rules established in 265—Chapter 23.

This loan program is only available for projects that receive an allocation of 9% tax credits, and successfully finalize a syndication or direct investment agreement for the purchase of tax credits. The Land Use Restrictive Agreement on the property will require that the property continue to provide supportive services throughout the restricted period.

IFA will give preference to projects that reunite mothers with the mothers' children, to the extent that the greatest amount of funds can be expended.

Loans under this program are for Applicants awarded tax credits who received 20 points for Resident Populations with Special Needs under the Special Needs Target Population of Persons in recovery from chemical dependency; and that are proposing Transitional Housing.

**Available Funds:** \$1,900,000

**Amount of Loan:** The maximum loan amount is \$700,000, and the minimum loan amount is \$100,000.

**Loan Terms:** The maximum loan term and amortization period are each 20 years. Notwithstanding the above, the authority may, at its sole discretion, extend the loan term and amortization period to no more than 30 years. The interest rate is one percent (1%). Loans will be secured by a first mortgage.

**Debt Service Ratio:** 1.25:1 for IFA's first mortgage (minimum of 1.20:1 overall), as calculated by IFA.

**Fees:** No additional fees are due at the time of Application. A commitment fee of one percent (1%) and an inspection fee of .5% of the loan amount are due upon acceptance of the commitment for the construction loan. A commitment fee of two percent (2%) of the loan amount is due upon acceptance of the commitment for the permanent loan.

#### **Instructions:**

If applying for this funding source:

1. Online Application must have Transitional Housing Loan listed as a source of funds.
2. Exhibit 1S, Resident Populations with Special Needs, must be provided.

In the event that insufficient funds are available for a project, the Applicant may be requested to provide additional information showing and supporting an alternative source for the construction and/or permanent loan.